

Agenda for a meeting of the West Yorkshire Pension Fund Pension Board to be held on Wednesday, 9 November 2016 at 10.00 am in Aldermanbury House, 4 Godwin Street, Bradford BD1 2ST

Members of the Committee

Employer Representatives	Member Representatives
Councillor M Slater (Chair) – Bradford	Mr G Nesbitt – GMB
Councillor G Hyde – Leeds	Mr M Binks – Unison
Councillor M Isherwood – Wakefield	Mr C Sykes – Unison
Mr J Morrison - Employer	Mr M Morris - Unite

Notes:

- This agenda can be made available in Braille, large print or tape format on request by contacting the Agenda contact shown below.
- The taking of photographs, filming and sound recording of the meeting is allowed except if Councillors vote to exclude the public to discuss confidential matters covered by Schedule 12A of the Local Government Act 1972. Recording activity should be respectful to the conduct of the meeting and behaviour that disrupts the meeting (such as oral commentary) will not be permitted. Anyone attending the meeting who wishes to record or film the meeting's proceedings is advised to liaise with the Agenda Contact who will provide guidance and ensure that any necessary arrangements are in place. Those present who are invited to make spoken contributions to the meeting should be aware that they may be filmed or sound recorded.
- If any further information is required about any item on this agenda, please contact the officer named at the foot of that agenda item.

From:

Parveen Akhtar
City Solicitor
Agenda Contact:
Phone:
E-Mail:

To:



A. PROCEDURAL ITEMS

1. DISCLOSURES OF INTEREST

(Members Code of Conduct - Part 4A of the Constitution)

To receive disclosures of interests from members and co-opted members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

Notes:

- (1) *Members may remain in the meeting and take part fully in discussion and voting unless the interest is a disclosable pecuniary interest or an interest which the Member feels would call into question their compliance with the wider principles set out in the Code of Conduct. Disclosable pecuniary interests relate to the Member concerned or their spouse/partner.*
- (2) *Members in arrears of Council Tax by more than two months must not vote in decisions on, or which might affect, budget calculations, and must disclose at the meeting that this restriction applies to them. A failure to comply with these requirements is a criminal offence under section 106 of the Local Government Finance Act 1992.*
- (3) *Members are also welcome to disclose interests which are not disclosable pecuniary interests but which they consider should be made in the interest of clarity.*
- (4) *Officers must disclose interests in accordance with Council Standing Order 44.*

2. MINUTES

1 - 8

Recommended –

That the minutes of the meeting held on 16 March 2016 be signed as a correct record (previously circulated).

(Jane Lythgow – 01274 432270)



3. INSPECTION OF REPORTS AND BACKGROUND PAPERS

(Access to Information Procedure Rules – Part 3B of the Constitution)

Reports and background papers for agenda items may be inspected by contacting the person shown after each agenda item. Certain reports and background papers may be restricted.

Any request to remove the restriction on a report or background paper should be made to the relevant Strategic Director or Assistant Director whose name is shown on the front page of the report.

If that request is refused, there is a right of appeal to this meeting.

Please contact the officer shown below in advance of the meeting if you wish to appeal.

(Jane Lythgow - 01274 432270)

B. BUSINESS ITEMS

4. NEW BOARD MEMBERS TERMS OF OFFICE

The Chair will report the names of new members of the West Yorkshire Pension Board.

Members will be asked to agree the terms of office for new members to the West Yorkshire Pension Fund Board.

5. INVESTMENT REFORM CRITERIA AND GUIDANCE - INVESTMENT POOLING 9 - 56

The Director, West Yorkshire Pension Fund, will present a report, (**Document “A”**) which explains that, in the July Budget 2015, the Chancellor announced the Government’s intention to work with Local Government Pension Scheme (LGPS) administering authorities to ensure that they pool investments to significantly reduce costs while maintaining overall investment performance. On 25 November the Investment Reform Criteria and Guidance were issued, which sets out the criteria to be applied to the pooling of LGPS assets. Authorities were invited to submit their initial proposals for pooling by 19 February 2016. West Yorkshire Pension Fund (WYPF) together with Greater Manchester and Merseyside duly submitted its proposals by the deadline. The submission and the Minister’s response are on the WYPF website. A more comprehensive proposal has been submitted to the Government on 15 July 2016. This submission will be assessed against the criteria in this document.

The Merseyside Local Pensions Board (LPB) considered pooling arrangements at its meeting in April, and requested that its resolution



be considered by the Local Pension Boards of the other two members of the Northern Pool. The resolution is attached as Appendix F to Document "A".

Recommended -

- 1. That the submission to the Government, contained in Document "A", and the continued development of pooling arrangements, subject to the Government response, be noted.**
- 2. That the Merseyside LPB resolution, contained in Document "A" be considered.**

(Rodney Barton – 01274 432317)

6. THE LOCAL GOVERNMENT PENSION SCHEME (MANAGEMENT AND INVESTMENT OF FUNDS) REGULATIONS 2016 57 - 62

The Director, West Yorkshire Pension Fund, will present Document "B" which advises Members that the Department for Communities and Local Government (DCLG) has laid The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, which enable the pooling of investments.

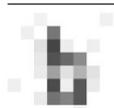
The new regulations, in summary, make three changes:-

- The introduction of an Investment Strategy Statement (replacing the Statement of Investment Principles) and the removal of the prudential limits.
- The requirement for funds to pool their assets.
- The introduction of the power for the Secretary of State to intervene where an Investment Strategy is deemed not acceptable, a fund does not make satisfactory pooling arrangements, or a fund does not make suitable arrangements to make investments determined by the Secretary of State.

Recommended –

That it be noted that the the Regulations do not cause any concerns on the matters pertaining directly to investments, but that there have been no restrictions applied to the power of the Secretary of State to intervene in local authorities investment decisions, which does not support the policy objective of making local authorities clearly accountable for their decisions by removing the schedule of investment limits.

(Rodney Barton – 01274 432317)



7. ACTUARIAL VALUATION 2016

63 - 66

The report of the Director, West Yorkshire Pension Fund, (**Document “C”**) advises Members that the triennial actuarial valuation of the West Yorkshire Pension Fund (WYPF) is being prepared based on the situation at 31 March 2016, and will determine the level of employers’ contributions from April 2017 onwards.

Recommended –

That the report be noted.

(Caroline Blackburn – 01274 432317)

8. REGISTER OF BREACHES OF THE PENSIONS REGULATOR'S CODE OF PRACTICE

67 - 74

The Director, West Yorkshire Pension Fund, will present **Document “D”** which reports that, in accordance with the Public Service Pensions Act 2013, from April 2015 all Public Service Pension Schemes came under the remit of the Pensions Regulator.

Section 70 of the Pensions Act 2004 (the Act) imposes a requirement to report a matter to The Pensions Regulator as soon as is reasonably practicable where that person has reasonable cause to believe that:

- (a) a legal duty relating to the administration of the scheme has not been or is not being complied with, and
- (b) the failure to comply is likely to be of material significance to The Pensions Regulator in the exercise of any of its functions.

A register of any breaches of the Pensions Regulator’s Code of Practice is maintained in accordance with the WYPF Breaches procedure.

Recommended –

That the entries on the Register of Breaches of the Pensions Regulator’s Code of Practice, all of which relate to late payment of contributions by employers, and that the action taken in each case is noted as part of the entry, be noted.

(Caroline Blackburn – 01274 434523)

9. CONSULTATION ON AMENDMENTS TO THE LOCAL GOVERNMENT PENSION SCHEME 2014

75 - 78

The report of the Director, West Yorkshire Pension Fund, (**Document “E”**) updates Members on changes and proposed changes to the Local Government Pension Scheme (LGPS) 2014 to implement the Fair Deal for staff transferring out of the public sector, freedom of choice access to Additional Voluntary Contribution pots and a number of technical amendments required for efficient administration.



Recommended –

That the report be noted.

(Tracy Weaver – 01274 433571)

10. **UPDATE ON THE GUARANTEED MINIMUM PENSION (GMP) RECONCILIATION EXERCISE.** 79 - 80

The report of the Director, West Yorkshire Pension Fund, (**Document “F”**) provides an update on the Guaranteed Minimum Pension (GMP) Reconciliation Exercise. The report explains that the exercise is to wind up the contracted out element link between the LGPS (Local Government Pension Scheme) and the SERP’s (State Earnings Related Pension Scheme) which affected members with service between 6 April 1978 and 5 April 1997, and is planned to begin in January 2017.

Recommended –

That the report be noted and the potential additional workloads anticipated from the exercise be noted.

(Grace Kitchen – 01274 434266)

11. **WEST YORKSHIRE PENSION FUND JOINT ADVISORY GROUP MINUTES 28 JULY 2016** 81 - 92

The report of the Director, West Yorkshire Pension Fund, (**Document “G”**) reminds Members that the role of The Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 is to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS) including securing compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS; securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and any other such matters as the LGPS regulations may specify.

The Minutes of meeting of WYPF Joint Advisory Group are submitted to the Pension Board to enable the Board to ensure effective and efficient governance and administration of the LGPS.

Recommended –

That the minutes of the West Yorkshire Pension Fund Joint Advisory Group, meeting held on 28 July 2016, be reviewed.

(Rodney Barton – 01274 432317)



12. TRAINING, CONFERENCES AND SEMINARS

93 - 94

The Director, West Yorkshire Pension Fund, will present a report (**Document “H”**) which informs Members that their training to understand the responsibilities and issues which they will be dealing with is a very high priority.

Recommended –

That consideration be given to attendance to the training events contained in Document “H”.

(Caroline Blackburn – 01274 434523)

13. EXCLUSION OF THE PUBLIC

Members are asked to consider if the item relating to the West Yorkshire Pension Fund Investment Advisory Panel should be considered in the absence of the public and, if so, to approve the following recommendation:

Recommended –

That the public be excluded from the meeting during the consideration of the item relating to minutes of the West Yorkshire Pension Fund Investment Advisory Panel meetings held on 28 April 2016 and 28 July 2016 because information would be disclosed which is considered to be exempt information within paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972 (as amended).

It is considered that, in all the circumstances, the public interest in maintaining this exemption outweighs the public interest in disclosing this information as it is in the overriding interest of proper administration that Members are made aware of the financial implications of any decision without prejudicing the financial position of the West Yorkshire Pension Fund.

14. MINUTES OF THE WEST YORKSHIRE PENSION FUND (WYPF) INVESTMENT ADVISORY PANEL HELD ON 28 APRIL 2016 AND 28 JULY 2016

95 - 96

The report of the Director, West Yorkshire Pension Fund, (**Document “I”**) reminds Members that the role of the West Yorkshire Pension Fund Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 is to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension scheme (LGPS) including securing compliance with the LGPS regulations and any other legislation



relating to the governance and administration of the LGPS; securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and any other such matters as the LGPS regulations may specify.

The Minutes of meeting of WYPF Investment Advisory Panel will be submitted to the Pension Board to enable the Board to ensure effective and efficient governance and administration of the LGPS.

Recommended –

Members are requested to review the Not for Publication minutes appended to Document “I”.

(Rodney Barton – 01274 432317)

THIS AGENDA AND ACCOMPANYING DOCUMENTS HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER

